

applications (whether located in an MSA or not), not just for loans and applications relating to property in MSAs where the institution has a home or branch office.⁵ Under the CRA, a large institution is a bank or savings association that has assets of \$1 billion or more as of December 31 of the prior two calendar years. The asset threshold will be adjusted annually by the banking agencies based upon annual changes to the Consumer Price Index.

Applicant Information

In addition, institutions must report data regarding the ethnicity, race, sex, and annual income of applicants for applications and loans originated loans; reporting these data is optional for purchased loans purchased. Information regarding the ethnicity, race, and the sex of the borrower or applicant must be requested by the lender, including applications made entirely by telephone, mail, or Internet. If the information is not provided by the applicant and if the application is submitted in person, the lender is required to note the information on the basis of visual observation or surname. Regulation C contains a model form that can be used for the collection of data on ethnicity, race, and sex. Alternatively, the form used to obtain monitoring information under 12 CFR §202.13 of the FRB Regulation B (Equal Credit Opportunity) may be used.

If an institution originates or purchases a loan and then sells it in the same calendar year, it must report the type of entity that purchased the loan. Except in the case of large secondary market purchasers, such as Fannie Mae and Freddie Mac, the exact purchaser need not be identified. For example, an institution may indicate that it had sold a loan to a bank, without identifying the particular bank.

Pricing-Related Data

Institutions must report the rate spread between the annual percentage rate (APR) on a loan at consummation and the yield on comparable Treasury securities if the spread is equal to or greater than 3 percentage points for first-lien loans, or equal to or greater than 5 percentage points for subordinate-lien loans. The rate-spread reporting is required only on originations of home purchase loans, dwelling-secured home improvement loans, and refinancings. The following are excluded from the rate-spread reporting requirement: (1) applications that are incomplete, withdrawn, denied, or approved but not accepted; (2) purchased loans; (3) home-improvement loans not secured by any dwelling; (4) assumptions; (5) home equity lines of credit; and (6) loans not subject to Regulation Z. To determine the applicable Treasury security yield, the financial institution must use

the table published on the FFIEC's Web site (<http://www.ffiec.gov/hmda>) entitled "Treasury Securities of Comparable Maturity under Regulation C."

Lenders must also report whether the loan is subject to the Home Ownership and Equity Protection Act (HOEPA), 15 USC 1639. A loan becomes subject to HOEPA when the APR or the points and fees on the loan exceed the HOEPA triggers. (Additional information on HOEPA coverage is found in the Truth in Lending Act and HOEPA examination procedures.)

Lenders must also report the lien status of the loan or application (first lien, subordinate lien, or not secured by a lien on a dwelling).

Optional Data

Finally, financial institutions supervised by the Federal Reserve or FDIC may, at their option, report the reasons for denying a loan application. Financial institutions regulated by the OCC and the OTS, including subsidiaries of national banks and savings associations, are required to provide reasons for denials. Credit unions regulated by the NCUA are also required to provide reasons for denial. Institutions may also choose to report certain requests for pre-approval that are approved by the institution but not accepted by the applicant and home equity lines of credit made in whole or in part for the purpose of home improvement or home purchase.

Excluded Data

A financial institution should not report loan data for:

- loans originated or purchased by the institution acting as trustee or in some other fiduciary capacity;
- loans on unimproved land;
- temporary financing (such as bridge or construction loans);
- the purchase of an interest in a pool of loans (such as mortgage-participation certificates);
- the purchase of mortgage loan servicing rights; or
- loans acquired as part of a merger or acquisition or acquisition of all the assets and liabilities of a branch office.

Reporting Format

Financial institutions are required to record data regarding each application for, and each origination and purchase of, home purchase loans, home improvement loans, and refinancings on a Loan/Application Register, also known as the HMDA-LAR. Financial institutions are also required to record data regarding requests under a pre-approval program (as defined in §203.2(b)), but only if the pre-approval request is denied or results in the origination of a home purchase loan. Transactions are to be reported for the year in which final action was taken. If a loan application is pending at the end of

⁵ A non-depository institution is deemed to have a branch office in an MSA or MD if, in the preceding calendar year, it received applications for, originated or purchased, five or more home purchase loans, home improvement loans, or refinancings in that MSA or MD.